

ARTICLE APPEARED
ON PAGE A-16

NEW YORK TIMES
23 JULY 1980

The Statement On Billy Carter

Special to The New York Times

WASHINGTON, July 22 — Following is the text of a statement issued by the White House press office today as in connection with contacts among Billy Carter, White House aides and other Government officials concerning Mr. Carter's ties to Libyan officials:

The White House has of course been aware of press reports running back over many months that the Department of Justice was conducting an investigation into the question of whether Billy Carter was legally obliged to make a filing under the Foreign Agents Registration Act with respect to activities on behalf of the Government of Libya.

At no time, however, has there been any contact in either direction between the White House and the Department of Justice concerning the conduct of this investigation, except for the F.B.I. interviews with Mr. Phillip Wise and the call to him mentioned below.

On June 10, 1980, Billy Carter requested a meeting with the President's National Security Adviser, Dr. Brzezinski, and the meeting was held on June 11. When Dr. Brzezinski heard the subject of the meeting, he asked the White House counsel, Lloyd Cutler, to join the discussion.

Billy Carter said he had been interviewed that morning by Justice Department investigators and asked to describe any discussions with White House officials relating to Libya. He inquired whether there was any national security reason why he could not disclose a prior meeting (which occurred on November 27, 1979) with Dr. Brzezinski, and a Libyan official, which Billy Carter arranged at Dr. Brzezinski's request to explore the possibility of seeking Libyan Government support in urging the release of the American hostages in Iran. This was three weeks after the seizure of the hostages, and the United States was exploring every possible avenue of contact with the Iranian leaders. Billy Carter was asked to arrange the meeting on short notice because of the cool official relations then existing between the United States and Libya.

No Objection Over Security

Dr. Brzezinski and Mr. Cutler advised Billy Carter that there was no national security objection to informing the Department of Justice investigators about this meeting, and Mr. Cutler added that Billy Carter had a legal obligation to respond fully to the Department's questions.

In the course of the meeting, Mr. Cutler learned that Billy Carter had attended the interview without the participation or advice of legal counsel. Mr. Cutler urged Billy Carter that he should promptly obtain counsel to advise him of his rights and duties and represent him before the Department. At Billy Carter's request to suggest a qualified counsel in Washington, Mr. Cutler recommended several lawyers including Steven J. Pollak, Esq., and Henry Ruth, Esq., of the firm of Shea & Gardner. At Billy Carter's request, Mr. Cutler introduced him to Mr. Pollak over the telephone.

Thereafter, at Mr. Cutler's request, Mr. Pollak and Mr. Ruth informed Mr. Cutler that Dr. Brzezinski's meeting with a Libyan official and Billy Carter concerning the hostages had been reported to the Justice Department. They also informed him that Billy Carter was considering the prompt filing of a registration statement reporting his activities. Mr. Cutler reported this information to the President. On July 1 the President telephoned Billy Carter and urged him to file the registration statement and make a full disclosure.

Until July 11 Mr. Cutler received no information about the particulars of Billy Carter's activities or about the financial aspects of this relationship. On July 11 Mr. Pollak and Mr. Ruth informed Mr. Cutler that the Department was about to file a civil complaint, and that the parties were in negotiation about the simultaneous filing of a registration statement and a consent judgment.

Papers Given to Cutler

On July 14 they advised Mr. Cutler that the complaint, registration statement and consent judgment had been filed. In these conversations they informed Mr. Cutler of a few of the particulars of the reported activities and financial transactions, and, after the Court filing, delivered to him copies of the filed papers.

During the course of the Department's investigation on March 14 and June 4, 1980, the F.B.I. interviewed Mr. Phillip Wise, Appointments Secretary to the President, to inquire about calls from Billy Carter to Mr. Wise concerning Libya in 1978 and January 1979. On July 1, 1980, Mr. Wise also received a telephone inquiry from a Department lawyer about such a conversation. Mr. Wise responded that he has no record or independent recollection of any such call or conversation.

In 1978, before travelling to Libya, Mr. Henry R. Coleman, an associate of Billy Carter's, had telephone conversations with Karl F. Inderfurth and William E. Quandt, then on the N.S.C. staff, for a general briefing about U.S. policy toward Libya. Billy Carter participated briefly in one of these conversations. After leaving the N.S.C. staff, Quandt and Inderfurth were questioned about these conversations by Department of Justice investigators.

Last March Dr. Brzezinski noted an intelligence report that Billy Carter was attempting to assist an oil company in obtaining an increased allocation of Libyan oil, and telephoned Billy Carter to advise him that he should not engage in any activity that could cause embarrassment to the Administration.

Dr. Brzezinski subsequently informed the President of this conversation. Neither the President nor Dr. Brzezinski had any other information, at any time before the news accounts of the filing of the court papers on July 14, concerning the financial transactions between Billy Carter and the Government of Libya.